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United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

July 19, 2000

The Honorable Aida Alvarez
Administrator
Small Business Administration
409 3rd Street, S.W.
Washington, DC 20416

Dear Ms. Alvarez:

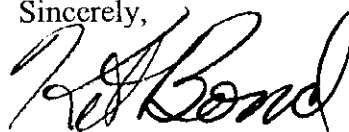
Thank you for your letter of July 18, 2000, concerning the Fiscal Year 2001 budget request for the Small Business Administration (SBA). I appreciate knowing of your concerns and the funding priorities that you have established for the agency. Since I became Chairman of the Senate Committee on Small Business in 1995, I have pushed Congress to ensure that the SBA continues to receive the funding necessary to pay for its core lending and business assistance programs, as well as funding to improve the agency's systems and operations.

Like you, I strongly believe that the SBA must focus its attention on improvements to its information technology and human-capital capacity. In fact, the Performance and Accountability Review (PAR), which I requested that the General Accounting Office (GAO) undertake, has demonstrated clearly that the SBA has considerable work to do before it can implement the minimum information systems and technology necessary for the agency to meet its statutory obligations to the small-business community. In addition, the GAO has reported that the SBA continues to trail in its efforts to assess its current and future human-capital needs, which are essential components for completing the agency's mission.

For the last several years, Congress has appropriated sufficient funding to operate the SBA's core programs in an efficient and economic manner. In addition, we have provided the SBA with adequate funding to improve its technological and personnel capabilities. Despite these appropriations, the SBA's internal funding priorities appear to be inconsistent with your stated goals to improve the operations of the agency. As a result, I continue to be disappointed by the slow pace at which the SBA is using these funds for their congressionally intended purposes.

In light of the GAO's findings, I urge you to implement its recommendations to ensure that current and future funding for the SBA's information-technology and human-capital improvements is used efficiently and effectively.

Sincerely,



Christopher S. Bond
Chairman